

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

In the Matter of:

Phoenix Rising Associates

Enforcement Case No. 05-3498

Calvin J. Cremer

Respondents

*Issued and entered
on August 4, 2006
by Richard D. Lavolette
Chief Deputy Commissioner*

ORDER TO CEASE AND DESIST

The Office of Financial and Insurance Services (OFIS) of the Michigan Department of Labor and Economic Development, pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, as amended; MCL 24.201 *et seq.*; the Michigan Uniform Securities Act, 1964 PA 265, as amended; MCL 451.501 *et seq.* (Act), and the rules promulgated under the Act, says that:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The staff of the Office of Financial and Insurance Services ("OFIS") alleges that the following facts are true and correct:

1. At all times pertinent herein, Respondent Phoenix Rising Associates (hereafter "Phoenix") was a corporation organized under the laws of the State of Nevada, whose address is 2765 Wrondele Way #1, Reno, Nevada 89502.
2. Respondent Calvin J. Cremer (hereafter "Cremer") is an associate of Phoenix Rising Associates and is a resident of Michigan. The physical address is: 725 Prospect Avenue SE, Grand Rapids, Michigan 49503 and mailing address is: P.O. Box 7348, Grand Rapids, MI 49510. Phoenix and Cremer are hereafter referred to collectively as "Respondents."

3. The Office of Financial and Insurance Services (OFIS) received a complaint from a Missouri resident alleging that Respondent Cremer on behalf of Phoenix, contacted her via telephone regarding an investment called "Secret Cash Formula." Complainant made multiple investments in excess of \$1,000.00 with Respondents.
4. At no time pertinent herein was Respondent Phoenix registered as a broker-dealer within the State of Michigan.
5. At no time pertinent herein was Respondent Cremer registered as a securities agent within the State of Michigan.
6. At no time pertinent herein was Respondent Cremer registered as an investment adviser within the State of Michigan.
7. Respondents Phoenix and Cremer knew or had reason to know that Section 301 of the Act, MCL 451.701 makes it unlawful for any person to offer or sell any securities in this state unless the securities are 1) registered, 2) exempt, or 3) a federally covered security
8. Respondents Phoenix and Cremer knew or had reason to know that Section 201(a) of the Act, MCL 451.601(a) prohibits a person from transacting business as a broker-dealer unless registered under the Act.
9. Respondent Cremer knew or had reason to know that Section 201(a) of the Act, MCL 451.601(a) prohibits a person from transacting business as a securities agent unless registered under the Act.
10. Respondent Cremer knew or had reason to know that Section 201(c) of the Act, MCL 451.601(c) prohibits a person from transacting business as a securities agent unless registered under the Act.

WHEREAS, Section 301 of the Act, MCL 451.701 provides that it is unlawful for any person to offer or sell any securities in this state unless the securities are 1) registered, 2) exempt, or 3) a federally covered security; and

WHEREAS, the "Secret Cash Formula" investment offered and sold by Respondents were not registered, exempt, nor federally covered securities; and

WHEREAS, Section 201(a) of the Act, MCL 451.601(a) prohibits a person from transacting business as a broker-dealer unless registered under the Act; and

WHEREAS, Respondents transacted business as a broker-dealer within the State of Michigan, but were never registered as a broker-dealer under the Act; and

WHEREAS, Section 201(a) of the Act, MCL 451.601(a) prohibits a person from transacting business as a securities agent unless registered under the Act; and

WHEREAS, Respondent Cremer transacted business as a securities agent within the State of Michigan, but was never registered as a securities agent under the Act; and

WHEREAS, Section 201(c) of the Act, MCL 451.601(a) prohibits a person from transacting business as an investment adviser unless registered under the Act; and

WHEREAS, Respondent Cremer transacted business as a securities agent within the State of Michigan, but was never registered as an investment adviser under the Act; and

WHEREAS, based on the foregoing, OFIS Staff recommends that the Commissioner find that Respondents Phoenix Rising Associates and Calvin J. Cremer are engaged in acts and practice in violation of Sections 201 and 301 of the Act and Rules promulgated under the Act; and

WHEREAS, this action is necessary, appropriate, and in the public interest for the protection of the public and consistent with the purposes fairly intended by the policy and provisions of the Act.

IT IS THEREFORE ORDERED, pursuant to Section 408 of the Act, MCL 451.808, that:

1. The Respondents Phoenix Rising Associates and Calvin J. Cremer shall immediately **CEASE AND DESIST** from transacting business in this state as a broker-dealer, securities agent or investment adviser without being registered under the Act and from the offer or sale of securities in the State of Michigan.
2. Failure to comply with this ORDER will subject you to one or more of the following:
 - (a) A civil penalty of not more than \$1,000 for each violation of this Act, but not to exceed a total of \$10,000.
 - (b) A criminal penalty of not more than \$25,000 for each violation, or imprisonment of not more than 10 years, or both.
3. You may file with the Administrator within 15 days after service of this Order a written request for a hearing. The Administrator, within 15 days after your filing, shall issue a notice of hearing and set a date for the hearing. Any request for a hearing should be addressed to: the Office of Financial and Insurance Services, Attention: Hearing Coordinator Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909.
4. If you do not request a hearing, or it is not ordered by the Administrator within 15 days, this Order will stand as entered and will be FINAL.

5. It is important to understand that any statements that you present in response to this Order may be used against you at a hearing. It is also important to understand that you have the right, at your own expense, to have an attorney assist you at a hearing.

MICHIGAN DEPARTMENT OF
LABOR & ECONOMIC GROWTH



By: _____

Richard D. Lavolette
Chief Deputy Commissioner
Office of Financial and Insurance Services